Department of Public Health and Human Services FOOD STAMP PROGRAM	Section: RESOURCES Subject: Vehicles

Supersedes: FS 402-1 (07/01/02)

≥References: 7 CFR 273.8(f)(4); 7 CFR 273.8(e)(3)(i)(G)

≥ GENERAL RULE – Federal regulations and legislation allow for greater flexibility in adopting vehicle asset rules. The regulations allow State Agencies to substitute vehicle asset rules from a TANF-funded or TANF Maintenance of Effort (MOE) funded assistance program for vehicle rules of the Food Stamp Program if it results in a lower attribution of resources for food stamp households.

The Child Care Program in Montana receives funding from TANF and does not consider vehicles when determining resources. The Food Stamp Program substitutes the Child Care Program vehicle asset rules for the Food Stamp Program vehicle asset rules excluding all vehicles as a resource.

DETERMINING FAIR MARKET AND EQUITY VALUES

The standard references for determining fair market value of cars and light-trucks up to 25 model years old are the NADA Official Used Car Guide and the NADA Older Car Guide commonly referred to as the 'Blue Book'. The average trade-in value is used as the vehicle's current fair market value. Adding the value of low mileage or other factors such as optional equipment does not increase the value of the vehicle.

When the vehicle in question is too old to be listed but is less than 25 years old, assume the average trade-in value is equal to the oldest listed vehicle of like make and model.

Equity value is determined by deducting the amount owed (liens) from the fair market value.

Example: A vehicle's average trade-in value in NADA is $2,400. The individual owes $400 to the lending institution. The equity value of the vehicle is $2,000. TEAMS calculates the equity value based on the fair market value less encumbrances.

≥SIGNIFICANT RETURN

Any vehicle not likely to produce a significant return if sold is an excluded resource. The household's ownership interest, the cost of selling, and the market value are considered when determining whether the vehicle is likely to produce a significant return.

NOTE: Significant return is any return estimated to be more than $1,500 after the estimated costs of sale and considering the ownership interest of the household.

Vehicles providing a means of transportation (e.g., boat, airplane, car, truck, motor home, motorcycle, snowmobile, or three/four wheeler, etc.) that are excluded under the significant return policy are coded 'IR' on VEHI.

Vehicles that do not provide a means of transportation (e.g., camper or trailer) that are excluded under the significant return policy are coded 'UV' on the OTAS.

Example 1: The household owns a vehicle with a fair market value of $750. There are not any liens on the vehicle. The vehicle is excluded because the sale of the vehicle would not produce $1,500.

Example 2: The household owns a vehicle with a fair market value of $7,000 and owes $6,500 on the vehicle. If the household sold the vehicle for $7,000, it could receive $500 after paying what is owed on the vehicle. The vehicle is excluded because the sale of the vehicle would not produce $1,500.

Example 3: The household owns a vehicle with a fair market value of $7,000. The household owes $3,000 on the vehicle. The vehicle is in bad condition for whatever reason. If the household sold the vehicle for $4,000, it would receive $1,000 after paying what is owed on the vehicle. It is excluded because the sale of it would not produce $1,500.

Example 4: The household owns multiple vehicles. The value of each is valued accordingly: Vehicle 1 - $500, Vehicle 2 - $500, Vehicle 3 - $850, Vehicle 4 - $1,000, and Vehicle 5 - $1,400. Each vehicle is excluded because the sale of it would not produce $1,500.

≥ ALL VEHICLES EXCLUDED

All vehicles are excluded as a resource including vehicles that do not provide a means of transportation (camper, trailers, etc.).

NOTE: A mobile home is not considered a trailer and is not excluded under the vehicle exclusion policy.

A household is not required to verify ownership, accessibility, or value of a vehicle for the Food Stamp Program. A food stamp case cannot be denied or closed for exceeding the resource limit due to a vehicle or for not verifying ownership, accessibility, or value of a vehicle.

≥TEAMS CODING

All vehicles are entered on TEAMS using the appropriate types and codes even though vehicles are excluded.

Vehicles providing a means of transportation (e.g., boat, airplane, car, truck, motor home, motorcycle, snowmobile, or three/four wheeler) are entered on the VEHI screen.

EXCEPTION: A vehicle used as a home if it is also a means of transportation is coded 'HM' on OTAS. When the vehicle is no longer used as a home, the vehicle is removed from OTAS and entered on VEHI.

Vehicles that do not provide a means of transportation (e.g., camper or trailer) are entered on the OTAS screen.

It is a best practice to code one vehicle with the highest equity value 'GX' to coincide with TANF and Medicaid policies. However, if that vehicle is excluded under the significant return policy, it should be coded as 'IR' on VEHI. All other vehicles are coded 'IR' on VEHI or 'UV' on OTAS.

Example 1: The household owns a vehicle with a fair market value of $750. There are not any liens on the vehicle. The vehicle is excluded because the sale of the vehicle would not produce $1,500; code 'IR' due to the significant return policy.

Example 2: The household owns a one vehicle with fair market value of $3000. There are not any liens on the vehicle. It is a best practice to code the vehicle 'GX' on VEHI.

Example 3: The household owns Vehicle A with fair market and equity value of $9000; Vehicle B with fair market and equity value of $5000; Vehicle C with fair market and equity value of $500; and a camper with fair market and equity value of $3500. It is a best practice to code Vehicle A 'GX' on VEHI because it has the highest equity value; code vehicle B 'IR' on VEHI due to the vehicle exclusion policy; code Vehicle C 'IR' on VEHI due to significant return policy; and camper 'UV' on OTAS due to vehicle exclusion policy.

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